



1960

Annual Report

NATIONAL BISCUIT COMPANY

63rd

ANNUAL REPORT

for the year ended December 31, 1960

NATIONAL BISCUIT COMPANY

**425 Park Avenue
New York 22, N. Y.**

NOTICE TO SHAREHOLDERS

The annual meeting of shareholders will be held at 2 P.M., April 12, 1961, in the Grand Ballroom of the Hotel Roosevelt, 45th Street and Madison Avenue, New York, N. Y. Shareholders who cannot attend the meeting are urged to exercise their right to vote by proxy. A proxy form, proxy statement and return envelope will be sent to shareholders on March 7, 1961.



THE YEAR IN BRIEF

	1960	1959
Net sales	\$451,800,000	\$429,000,000
Income from operations	56,100,000	50,400,000
Net income	27,900,000	24,500,000
Net income per dollar of sales	6.2 cents	5.7 cents
Net income per share common stock	4.10	3.57
Dividends declared		
Preferred stock—7%	1,700,000	1,700,000
Common stock	16,000,000	15,300,000
Per share of common stock	2.50	2.40
Earnings retained in the business	10,200,000	7,500,000
Cost of plant and equipment additions	11,300,000	8,400,000
Current assets	123,100,000	112,200,000
Current liabilities	52,400,000	46,000,000
Working capital	70,700,000	66,200,000



1960

Annual Report

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THE PRESIDENT'S LETTER



To the Shareholders:

National Biscuit Company suffered a grievous loss in 1960 in the sudden death of Chairman George H. Coppers. Mr. Coppers made tremendous contributions during the 15 years he led the Company. Perhaps the greatest of these was the development of a team of capable associates who occupy key positions throughout the Company.

The year 1960 was by far the best in our history. Sales and earnings reached all-time highs. NABISCO's marketing, advertising and selling programs were more effective than they have ever been.

During the year we continued our intensive program of personnel development. The opportunities within the Company are greater than ever before. This creates a very healthy climate for individual growth and achievement.

Our research programs were accelerated during the year. Many new products were introduced. Work advanced on new processes and equipment, a number of new projects were started, and still others moved further along toward completion. It is essential that NABISCO increase its research and development activities to maintain and better its position.

In September the Company acquired the Purina Cereal group in Australia. This group of companies has been prominent in a number of food and non-food lines and the acquisition gives us an excellent opportunity to share in the growth of Australia and New Zealand.

We wish to thank our customers, employees, shareholders and suppliers for their efforts in making 1960 a year of record accomplishment. We are optimistic about the future of the food industry and particularly so concerning NABISCO's future in the industry.

A handwritten signature in dark ink, reading "Lee S. Rickmore". The signature is fluid and cursive, with a long, sweeping underline.

March 6, 1961

President

Sales

Record net sales of \$451.8 million were reached in 1960, an increase of \$22.8 million, or 5.3 per cent over NABISCO's best previous year, in 1959. With the prices of our products at stable levels throughout both years the gains represent continued increases in the volume of goods produced and sold.

The sales increases were general for the Company's several product lines and the accompanying table shows that in each calendar quarter 1960 results were ahead of the figures for 1959. Several new products, which are described later in this report, contributed to the expanding volume, and our established brand name varieties also experienced gains in 1960.

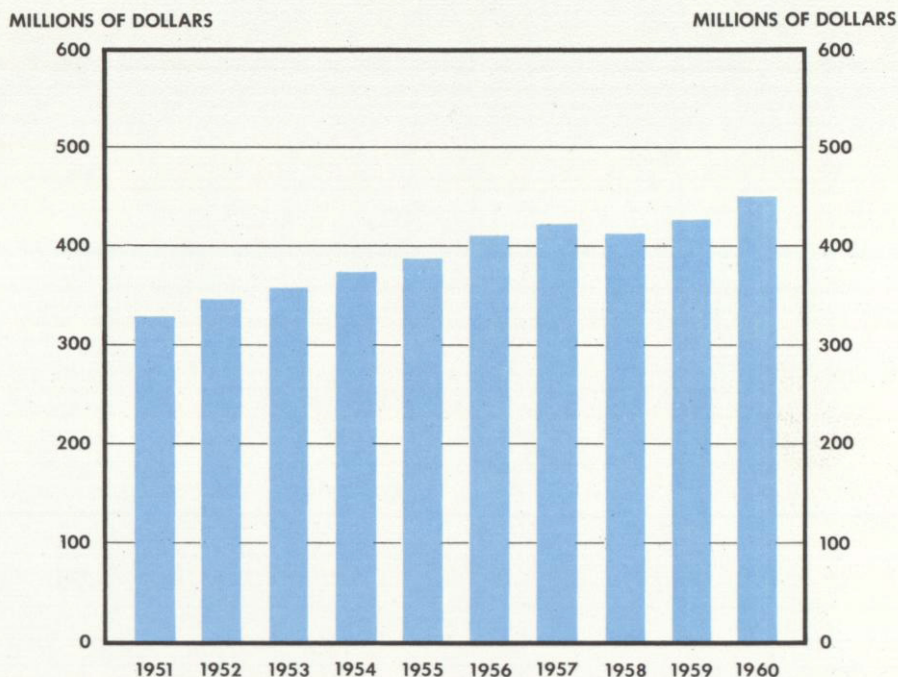
A great deal of credit for our sales growth must go to an improved marketing program. This includes our selling activities and the merchandising of NABISCO products at the retail level, plus consumer advertising. The retail food business has grown enormously in size and complexity, with an increasingly greater volume being done in the large supermarkets. As a manufacturer, NABISCO must first convince retailers of the merits of our products; then with further in-store efforts, we develop selling programs which are mutually advantageous.

Consumer advertising is a key part of our marketing effort. Consumers are becoming more selective in their buying, seeking better value and quality, both in products and in the service and convenience features of packaging. Advertising tells consumers about our products and why they are desirable. No single advertising medium can do this job alone and in 1960 we used a wider variety of media to better advantage. There can be no letup in our attempts to focus attention on our products and to pre-sell consumers so that they look for NABISCO packages in the store.

Net Sales by Quarters in Millions of Dollars

<i>Quarter Ended</i>		<i>1960</i>	<i>1959</i>	<i>1958</i>
March	31	\$111.7	\$101.5	\$101.7
June	30	111.3	106.5	103.4
September	30	110.6	107.1	102.3
December	31	118.2	113.9	105.9
Total		\$451.8	\$429.0	\$413.3

Net Sales



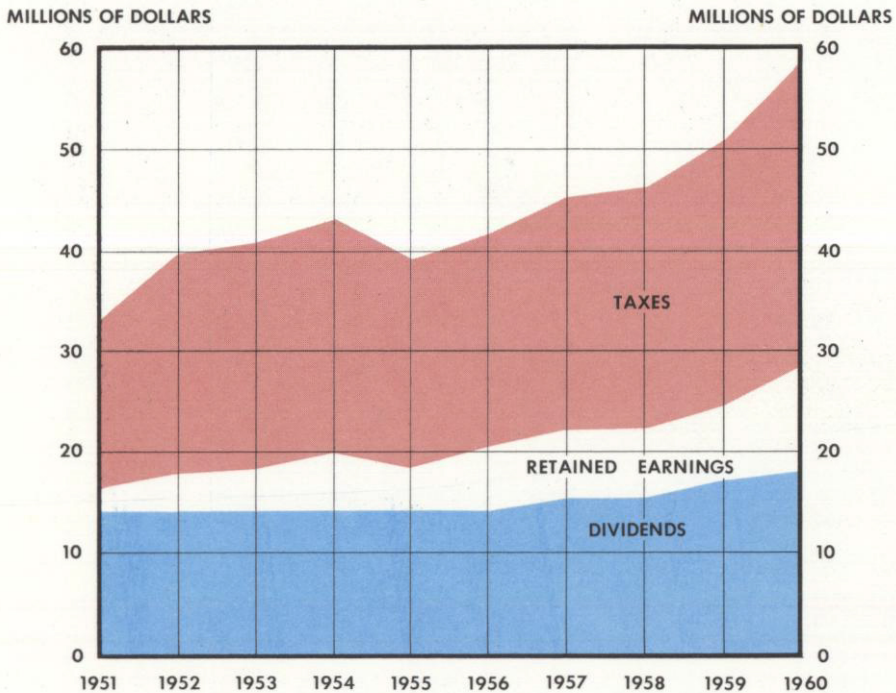
Net Income

NABISCO'S net earnings again reached record levels in 1960, showing an increase of \$3.4 million, or 13.9 per cent over the previous high, set in 1959. Net income totaled \$27.9 million in 1960, as compared with \$24.5 million in 1959. Profits per share of common stock were \$4.10 in 1960, substantially up from \$3.57 per share the previous year.

The expanding volume of sales, further efficiencies in production, and the successful introduction of a number of new products were chiefly responsible for the increased earnings. A continuing program of installing new equipment and methods in our producing plants and bakeries has helped partially to offset rising costs of labor and transportation. These gains are reflected in the amount of net income earned from each dollar of sales, 6.2 cents, a figure which has risen steadily during the past few years.

The agricultural commodities and other materials which NABISCO uses in significant quantity were available in good supply and at fairly even price levels in 1960. We believe this condition, which is favorable to our business, will continue through the current year. The political climate in Cuba had no harmful effect on our ability to obtain necessary supplies

Distribution of Income Before Taxes



of sugar. World supplies of this commodity are plentiful and we do not anticipate any sudden change in this situation.

National Biscuit Company has for many years done its purchasing through a system of competitive bidding. This is an essential part of our purchasing policy and purchases are subject to a regular and continuing check by the Company's internal auditing department.

Research

NABISCO's research programs increased in scope and activity during 1960. Research expenditures increased as the Company continued its efforts to improve its new product development work, to improve the taste, flavor and appearance of existing products, and to find better methods and equipment.

The Company's Research Center at Fair Lawn, New Jersey, is organized to carry out experimental work in every phase of our operations. Mixing and baking techniques, the proper handling of ingredients, packaging methods and materials, all have a significant effect on product quality.

A current project at Fair Lawn is directed at the whole concept of flour milling technology; our research people are hopeful that their findings will further improve the quality and flavor of baked goods. Since over 80 per cent of the Company's flour requirements are produced in our own mills (at Toledo, Ohio; Carthage, Missouri; and Cheney, Washington), improvements resulting from such research will be doubly beneficial.

Other experiments with new mixing equipment and methods indicate that further advances can be made in texture and quality by these processes. Better products, better ways of making them, and better methods of getting them to consumers must be the objectives of our research activities.

New Products

One of the highlights of NABISCO's operations in the past year was the introduction of a number of new products. Both the number of products placed on the market and consumer acceptance of these new items were particularly encouraging in 1960.

The Biscuit Division, which does the greatest volume of business and has the largest line of products, brought out the largest number of new products in 1960. Each of the other domestic divisions and foreign subsidiaries also marketed new items which contributed to their sales increases.

New product development, like any research program, takes time. The new varieties and innovations which will reach the market in 1961 will, in most cases, have had their origins in our laboratories two, three, or even five years ago. The Company is convinced that concentration on a continuing program to develop new and improved products is essential in today's keenly competitive market.

Here is a list and a brief description of some of the leading items introduced in 1960:

BACON FLAVORED THINS — a tender, oval snack cracker with a crisp bacon flavor.

BARONET CREME SANDWICH — a high-quality sandwich cookie with a soft vanilla base cake and rich cream filler.

CHOCOLATE CHIP COOKIES — a NABISCO favorite packed in a bright blue, cellophane-lined bag.

FAMOUS COOKIE ASSORTMENT — an attractive package of eight leading NABISCO cookie favorites.

NABISCO SNACK ASSORTMENT — a convenient pack assortment of six popular snack crackers designed for party givers.

OLD FASHION CHOCOLATE CHIP, LEMON CHIP, NUT CHIP and OATMEAL COOKIES — a new “family” of four popular and distinctive flavors, each in separate but similarly designed cartons.

SESAME THINS—another addition to our growing line of “thin” snack crackers, with a sesame seed topping producing a unique, pleasant flavor.

Capital Expenditures

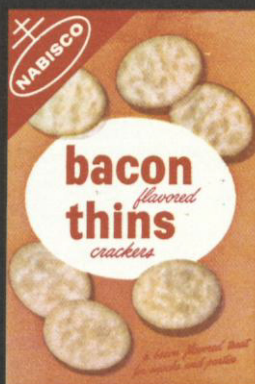
Capital expenditures for 1960 amounted to \$11.3 million, an increase over the \$8.4 million spent in the previous year. No single expenditure dominated the total but rather, the costs covered a wide range of construction and equipment installations aimed at further efficiencies and economies at a number of our producing units.

Bulk flour handling facilities were installed at the Houston and Pittsburgh bakeries. This completes a program to equip all of our major bakeries so that they can receive bulk shipments from the Company's flour mills.

Improvements in production methods at several bakeries were among the major capital projects completed in 1960. A new, continuous baking line for NABISCO SUGAR WAFERS was installed at the Chicago Bakery. The Atlanta Bakery received improved equipment for the coating and packing of sweet cookie varieties. A wholly new baking and packing operation for NABISCO SHREDDED WHEAT was completed at the Niagara Falls, N. Y., Bakery with the installation of automatic packaging equipment. Production of the new NABISCO SHREDDED WHEAT packs began early in 1961.

NABISCO's Bread Division installed a second continuous mixing unit, this one at its bread bakery in Cleveland. The first such unit was built at the Syracuse Bread Bakery in 1959 and has demonstrated its superiority over conventional bread mixing methods.

The Company's capital spending program in 1961 will total approximately \$20 million. Outstanding among the new projects is the construction of a new biscuit and cracker bakery at Chicago which begins this spring. The plant will be located adjacent to the present Chicago Bakery, which was completed in 1953. The new bakery is needed to provide additional production capacity in the mid-west and is scheduled to start producing by the end of 1962.



NEW NABISCO PRODUCTS IN 1960



Australian Acquisition

A major step in the Company's program to expand its operations abroad was the acquisition in September of Purina Grain Foods Pty., Limited, of Australia. The Purina group, which at the time of acquisition consisted of 14 separate companies operating in Australia and New Zealand, has been reorganized under the name Nabisco Pty., Limited, and will function as a wholly-owned subsidiary. The results of its operations since the date of acquisition have been included in the Company's consolidated statements for 1960.

The Purina Company was formed in 1911 and is one of the largest cereal companies in Australia. A pioneer in prepared breakfast foods in that country, Purina has an extensive product line which includes spaghetti, macaroni, noodles, jelly crystals, coffee essence, polishes and creams, in addition to its cereal products.

The group's 14 plants are located in the major cities of Australia, Tasmania and New Zealand. There are more than 600 employees and total production tonnage amounts to some 26 million pounds per year. The group has its own carton plant which supplies all of its packaging requirements.

We feel that the acquisition of the Purina Cereal group will be beneficial to NABISCO. The group's long history and standing in Australia and New Zealand and the diversity of its product line offer a fine opportunity to participate in the economic growth of those countries. We plan to enlarge the scope of Purina's activities and in so doing strengthen NABISCO's total position in overseas markets.

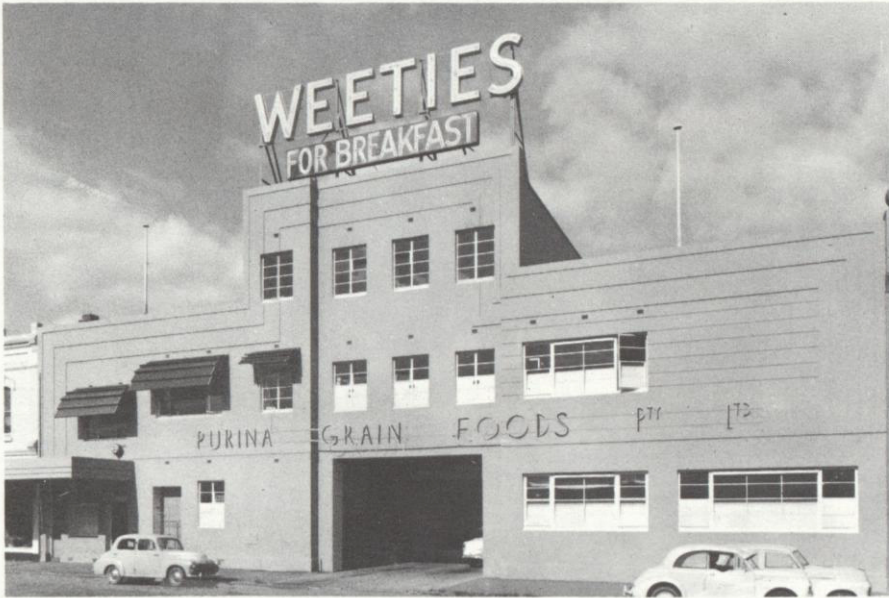
International Operations

The Company's subsidiaries abroad continued to increase their activities in 1960 and as a group reported consistent gains in sales volume. Leading developments in these companies are highlighted below.

Canada: Christie, Brown and Company, Limited achieved excellent results with two new products: FRENCH ONION THINS, and SOCIABLES, a new snack cracker in nine distinctive shapes. The company also improved its distribution facilities with the opening of a new sales branch at Ottawa.

Christie's Bread, Limited had its new bread bakery at Montreal in full production and added two new specialty bread lines, including a unique "Barbecue" loaf for picnics and outdoor cooking.

Nabisco Foods, Limited started construction of an addition to its



One of the cereal plants of Purina Grain Foods, now Nabisco Pty., Limited, located at North Fitzroy in Victoria, Australia.

Niagara Falls, Ontario, Shredded Wheat plant. The addition will permit installation of modern band ovens and packaging machines. A new cereal was introduced named ORBITS, which is made of four grains; wheat, corn, rice and oats.

England: Nabisco Foods, Limited introduced a line of "Sweet Bake" dessert mixes, and began distribution of a new crisp bread product called RY-KING. The company acquired a large building adjacent to its present plant which will provide needed warehouse space and permit future expansion.

Mexico: Nabisco-Famosa, S.A., increased the number of cracker and snack items it produces in Mexico. The firm also added a line of four cake mix items which have had good consumer acceptance.

Venezuela: Despite a climate of political turmoil and business recession, Nabisco-La Favorita, C.A., recorded sales increases over the previous year. The company will construct additional production facilities this year to expand its line of products.

Puerto Rico: In December 1960, NABISCO opened a sales and distribution branch at San Juan, Puerto Rico, the first such unit to be built outside the continental United States in many years.

Working Capital

Net working capital totaled \$70.7 million on December 31, 1960, up \$4.5 million from the close of 1959. Of this amount we had on hand \$50.3 million in cash and marketable securities, a gain of \$4.9 million from our position at the end of the previous year.

The source and disposition of funds over the last five years are reflected in the summary shown below:

Changes in Consolidated Working Capital

(Thousands of Dollars)

	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1957</u>	<u>1956</u>
Funds provided by					
Net income	\$27,949	\$24,533	\$22,072	\$22,052	\$20,287
Depreciation (reduces net income but does not represent cash outlay)	11,870	11,841	11,943	11,236	10,459
Disposal of assets no longer needed	<u>602</u>	<u>5,312</u>	<u>800</u>	<u>610</u>	<u>2,138</u>
Total funds provided	40,421	41,686	34,815	33,898	32,884
Funds applied to					
Dividends declared	17,701	17,063	15,785	15,785	14,508
Additions to plant and equipment	11,330	8,423	9,680	21,605	15,740
Other items (net)	<u>6,880</u>	<u>4,562</u>	<u>(62)</u>	<u>1,479</u>	<u>825</u>
Total funds applied	<u>35,911</u>	<u>30,048</u>	<u>25,403</u>	<u>38,869</u>	<u>31,073</u>
Increase (decrease) in working capital	<u>\$ 4,510</u>	<u>\$11,638</u>	<u>\$ 9,412</u>	<u>\$ (4,971)</u>	<u>\$ 1,811</u>
Consisting of changes in					
Cash and marketable securities . .	\$ 4,910	\$10,416	\$11,469	\$ (3,232)	\$ (1,955)
Accounts receivable	1,538	1,168	(875)	1,925	1,187
Inventories	4,376	1,652	(3,648)	(1,738)	1,088
Current liabilities	<u>(6,314)</u>	<u>(1,598)</u>	<u>2,466</u>	<u>(1,926)</u>	<u>1,491</u>
	<u>\$ 4,510</u>	<u>\$11,638</u>	<u>\$ 9,412</u>	<u>\$ (4,971)</u>	<u>\$ 1,811</u>

Shareholders and Dividends

During 1960 the number of persons owning shares of NABISCO preferred and common stock rose to 77,332. This is a record figure and is a continuation of the steadily rising trend which has been in effect for more than a decade.

The increase in the number of shareholders was accompanied by a rise in shareholder equity. At the close of 1960 the equity of the owners of the Company's common stock amounted to \$181.4 million, equal to \$28.40 per share. This compared with \$171.1 million, or \$26.80 per share, in 1959.

Dividends of \$2.40 per share were paid on the common stock during the year, up from \$2.30 paid the previous year. At the October meeting the Board of Directors voted to increase the quarterly dividend on the common stock to 70 cents effective with the January 13, 1961 payment, making a total of \$2.50 declared in the year 1960.

Together with the regular preferred stock dividend of \$7.00 per share, dividend payments on the Company's stock totaled \$17.1 million in 1960. This continued NABISCO's uninterrupted record of dividend payments in every year since 1899.

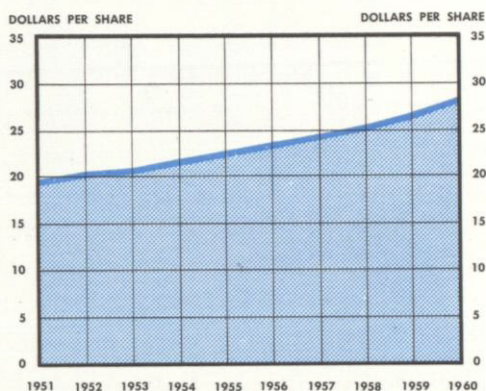
Personnel

Total employment costs increased in 1960 to their highest point in our history. Salaries, wages and benefits for the year amounted to \$149.0 million, up from \$141.0 million in 1959.

Pension costs aggregated \$6.2 million in 1960. In addition the Company's contributions to the Federal Old-Age, Survivors, and Disability Insurance program amounted to \$3.0 million, an increase of \$0.7 million over the comparable cost for the previous year.

Last year marked the 35th anniversary of NABISCO's Group Life Insurance program in which upwards of 95 per cent of eligible employees

*Shareholder Equity
Per Share Common Stock
AT DECEMBER 31st*



take part. During this period, \$19.4 million has been paid to employees or their dependents in disability or death benefits. In 1960 employees or their dependents also received \$1.6 million under the Company's employee benefit and major medical plan.

A training milestone was reached in 1960 as the Sales Department conducted its 100th Management Development seminar for its supervisory personnel. The seminar program, now in its eleventh year, is aimed at improving on-the-job performance and preparing sales executives for future advancement. Similar programs are operated by other departments and divisions in the Company and by our foreign subsidiaries.

Management Changes

It is with deep regret that we record the death of Chairman George H. Coppers, on December 28, 1960.

Mr. Coppers was elected Board Chairman on April 25, 1960. He had been the Company's chief executive officer from his election to the presidency in 1945 until his death. Mr. Coppers joined the Company as an office boy after finishing high school in 1920. He completed his education at night, graduating *cum laude* from Fordham University Law School in 1929. He became General Counsel of the Company in 1938 and was elected President in 1945 at the age of 42. Mr. Coppers directed NABISCO through the period of its greatest growth and his sudden passing at the age of 58 was a sad and unexpected loss.

Lee S. Bickmore was elected President on April 25, 1960, at the age of 51. Upon Mr. Coppers' death, Mr. Bickmore, as President, assumed the duties of chief executive officer.

Mr. Bickmore joined NABISCO as a salesman in 1933, shortly after graduating from Utah State University. He held a number of positions in the Company's sales organization before he was named Vice President for Sales in 1950. In 1957 he became a Senior Vice President and a member of the Executive Department. In 1959 he was elected Executive Vice President and a member of the Board of Directors and its Executive Committee.



OREO

Good things like more creamy filling make them best!

Smooth, fresh filling beaten to a fluffy lightness... spread with a generous hand between chocolate-y, crisp-to-the-bite cookies. America's favorite—Oreo!

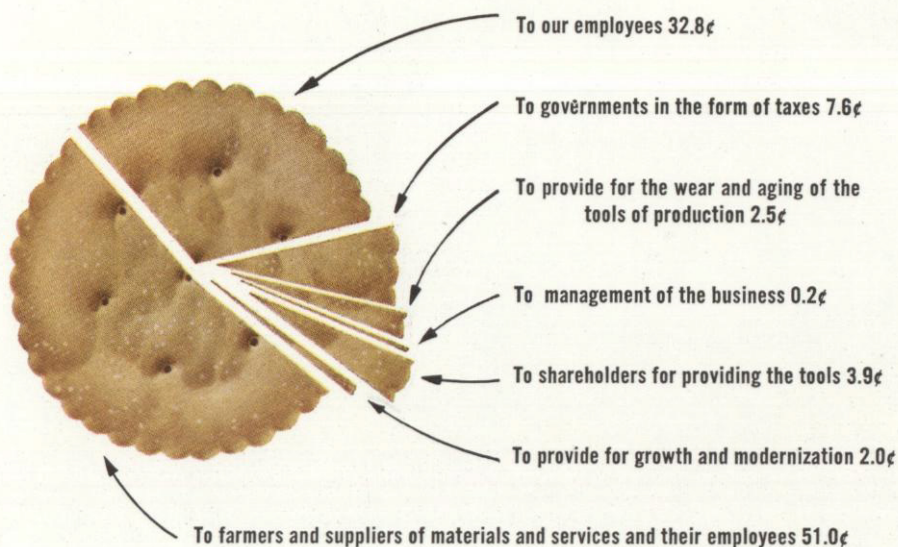
WHATEVER KINDS OF COOKIES YOUR FAMILY LIKES, NABISCO BAKES THEM BETTER!



Aggressive marketing, including magazine ads like this, have helped make OREO CREME SANDWICH America's best-selling cookie.

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Each Nabisco Sales Dollar Produced Income:



Summary of Operations - 1960

We received from sale of our products \$451,794,979

We expended for

Raw materials, supplies and services bought from others	230,364,220
Employees' services (wages, pensions, social security taxes, etc.)	147,974,818
Direct taxes, except social security taxes	34,245,706
Estimated wear and tear on plant and equipment, less profit on disposal of fixed assets	11,252,575
Officers' salaries for management of the business	<u>1,002,778</u>

Leaving profits* which were

Distributed as dividends to the shareholders	\$ 17,700,467
Retained in the business for expansion and modernization	<u>9,254,415</u>

*National Biscuit Company also received \$1,826,501 interest and miscellaneous income arising from activities not related to the manufacture or sale of its products which, after taxes, had the effect of adding \$993,731 to net income.

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Financial Position

	December 31, 1960	December 31, 1959
Current assets		
Cash	\$ 16,564,301	\$ 16,682,752
Marketable securities (approximately market)	33,761,796	28,733,038
Accounts receivable	16,132,641	14,594,420
Inventories (a)	56,592,398	52,216,850
Total current assets	<u>123,051,136</u>	<u>112,227,060</u>
Less current liabilities		
Accounts payable and accrued expenses	25,879,548	22,397,480
Common dividend payable	4,469,963	3,831,577
Federal and foreign taxes on income	22,013,265	19,819,644
Total current liabilities	<u>52,362,776</u>	<u>46,048,701</u>
Working capital	70,688,360	66,178,359
Investment in foreign subsidiaries, not consolidated	2,194,325	1,440,000
Mortgages receivable	5,367,948	5,442,249
Other assets (b)	7,820,803	1,621,028
Plants, real estate, machinery and equipment (c)	120,111,576	121,253,230
Excess of assets over liabilities	<u>\$206,183,012</u>	<u>\$195,934,866</u>
Represented by		
Capital stock, preferred	\$ 24,804,500	\$ 24,804,500
Par value \$100—7% cumulative, noncallable— shares authorized 250,000, issued 248,045		
Capital stock, common	63,859,610	63,859,610
Par value \$10—shares authorized 12,000,000, issued 6,385,961		
Additional paid-in capital	2,593,787	2,593,787
Retained earnings	114,925,115	104,676,969
	<u>\$206,183,012</u>	<u>\$195,934,866</u>

(Notes to financial statements appear on page 19)

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Income and Retained Earnings

	1960	1959
Net sales	<u>\$451,794,979</u>	<u>\$428,980,785</u>
Cost of sales	264,267,183	253,485,059
Selling, general and administrative expenses	110,214,116	104,789,885
Depreciation	11,870,144	11,840,833
Taxes (other than federal and foreign taxes on income)	9,914,275	8,598,986
Interest and miscellaneous income (net)	<i>1,826,501</i>	<i>801,010</i>
Profit on disposal of fixed assets	<i>617,569</i>	<i>134,215</i>
Federal and foreign taxes on income	<u>30,024,718</u>	<u>26,667,965</u>
Total	<u>423,846,366</u>	<u>404,447,503</u>
 Net income	 27,948,613	 24,533,282
Retained earnings January 1	<u>104,676,969</u>	<u>97,206,308</u>
	<u>132,625,582</u>	<u>121,739,590</u>
Preferred dividends declared, \$7.00 per share	1,736,315	1,736,315
Common dividends declared, \$2.50 per share in 1960, \$2.40 per share in 1959	<u>15,964,152</u>	<u>15,326,306</u>
	<u>17,700,467</u>	<u>17,062,621</u>
Retained earnings December 31	<u>\$114,925,115</u>	<u>\$104,676,969</u>

(Notes to financial statements appear on page 19)

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Notes to Financial Statements

(a) Inventories are generally stated at average cost or market, whichever is lower, and comprise

	1960	1959
Raw materials and supplies	\$ 38,636,937	\$ 36,222,047
Finished product	17,955,461	15,994,803
	<u>\$ 56,592,398</u>	<u>\$ 52,216,850</u>

(b) Other assets for 1960 include \$5,789,786 of unamortized excess of cost of investment over book amount of net assets of consolidated foreign subsidiaries acquired since 1958; and \$2,031,017 of prepaid expenses and deferred charges.

(c) Plants, real estate, machinery and equipment are stated at cost and comprise

	1960	1959
Buildings	\$ 79,031,069	\$ 77,596,177
Machinery and equipment	135,404,085	132,041,599
	214,435,154	209,637,776
Less allowances for depreciation	98,562,134	92,841,679
	115,873,020	116,796,097
Land	4,238,556	4,457,133
	<u>\$120,111,576</u>	<u>\$121,253,230</u>

(d) The financial statements for 1960 include the following U. S. dollar amounts (translated at appropriate rates of exchange) in respect of the consolidated foreign subsidiaries: working capital, \$5,940,455; net plant assets, \$19,323,264; and net income, \$2,691,021.

Report of Auditors

TO THE SHAREHOLDERS OF NATIONAL BISCUIT COMPANY:

We have examined the statements of financial position of National Biscuit Company and consolidated subsidiaries as of December 31, 1960 and 1959, and the related statements of income and retained earnings for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and income and retained earnings present fairly the financial position of National Biscuit Company and consolidated subsidiaries at December 31, 1960 and 1959, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 3, 1961

NATIONAL BISCUIT COMPANY

and Consolidated Subsidiaries

TEN YEAR FINANCIAL REVIEW

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Dollars in Millions (except per share figures)

	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951
Net sales	\$451.8	\$429.0	\$413.3	\$424.5	\$410.5	\$389.6	\$376.4	\$359.0	\$346.5	\$329.9
Earnings before income taxes	57.9	51.2	46.4	45.7	41.9	39.2	43.2	40.8	39.7	33.2
Federal and foreign taxes on income	30.0	26.7	24.3	23.6	21.6	20.9	23.3	22.7	21.9	17.0
Net income	27.9	24.5	22.1	22.1	20.3	18.3	19.9	18.1	17.8	16.2
Earnings retained in the business	10.2	7.5	6.3	6.3	5.8	3.8	5.5	3.8	3.5	1.9
Net income per common share	4.10	3.57	3.18	3.18	2.90	2.59	2.85	2.61	2.56	2.30
Dividends declared										
Preferred stock	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Common stock	16.0	15.3	14.1	14.1	12.8	12.8	12.7	12.6	12.6	12.6
Per common share	2.50	2.40	2.20	2.20	2.00	2.00	2.00	2.00	2.00	2.00
Current assets	123.1	112.2	99.0	92.0	95.1	94.8	102.5	95.2	94.5	89.0
Current liabilities	52.4	46.0	44.5	46.9	45.0	46.5	48.7	43.8	44.3	38.0
Working capital	70.7	66.2	54.5	45.1	50.1	48.3	53.8	51.4	50.2	51.0
Plant and equipment (net)	120.1	121.3	130.0	133.0	123.3	120.1	112.1	105.7	104.4	96.4
Plant and equipment expenditures	11.3	8.4	9.7	21.6	15.7	18.1	15.2	9.8	16.3	17.8
Cost of employees' services	148.0	140.1	136.2	135.6	133.5	130.3	126.6	126.4	121.3	114.1
Provision for all taxes (except social security)	35.1	31.5	29.0	28.1	25.8	25.0	27.1	26.3	25.3	20.5
Book value of common stock	181.4	171.1	163.7	157.4	151.1	145.3	141.6	132.5	128.7	125.2
Book value per common share	28.40	26.80	25.63	24.64	23.66	22.76	22.17	21.07	20.47	19.91
Number of shareholders	77,332	75,834	75,702	75,603	72,262	70,281	69,829	69,961	69,045	66,682

BOARD OF DIRECTORS

CHARLES C. AUCHINCLOSS	DON G. MITCHELL	CARROL M. SHANKS
LEE S. BICKMORE	GEORGE A. MITCHELL	PERRY M. SHOEMAKER
WILLIAM H. COLVIN	WILLIAM H. MOORE	RUSSELL M. SHULTZ
JESS H. DAVIS	ALEXANDER C. NAGLE	ROY E. TOMLINSON
DUDLEY W. FIGGIS	LIVINGSTON PLATT	

EXECUTIVE COMMITTEE

CHARLES C. AUCHINCLOSS	DON G. MITCHELL	LIVINGSTON PLATT
LEE S. BICKMORE	ALEXANDER C. NAGLE	ROY E. TOMLINSON

OFFICERS

Executive Department

LEE S. BICKMORE	President
GEORGE A. MITCHELL	Senior Vice President
RUSSELL M. SHULTZ	Senior Vice President

Vice Presidents

NILE E. CAVE	Sales
HARRY T. EGGERT	Personnel Relations
C. EUGENE LAIR	Purchasing
WILLIAM E. MACKAY	General Counsel
EDWARD A. OTOCKA	Operations
CHARLES S. WEBSTER	Finance

Divisional Vice Presidents

ROY K. KELLEY	New Products
THOMAS K. KRUG	Bread
FRANK K. MONTGOMERY, JR.	Special Products
KENNETH M. HATCHER	Secretary and Treasurer
ROBERT M. SCHAEBERLE	Controller

Transfer Agent: Morgan Guaranty Trust Company of New York
140 Broadway, New York 15, N. Y.

Registrar: The First National City Bank of New York
55 Wall Street, New York 15, N. Y.

